

CALIFORNIA VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD

Victim Compensation Program

May 23, 2003

630 "K" Street
First Floor Hearing Room
Sacramento, California 95814

Proposal Regarding Restitution Contract Renewal with CDC

Summary

Insufficient revenue to the Restitution Fund and the need to make timely payments to the victims of crime and service providers make it critical to effectively leverage all potential sources of income to the Fund. To ensure the ability to continue making direct payments to victims and providers, staff recommends that the Board delegate authority to the Interim Executive Officer to renew the restitution services contract with the Office of Victims Services and Restitution, California Department of Corrections. The total amount of this year's service contract with CDC for FY 03-04 is \$400,741. Over the preceding four years that the Board has contracted with CDC for restitution support, CDC's Victim Services Division has collected approximately \$36 million in restitution fines and orders.

Background

Penal Code section 2085.5 requires that in any case where a prisoner owes a restitution fine or order imposed pursuant to Government Code section 13967, or Penal Code section 1202.4, the Director of Corrections shall deduct a minimum of twenty per cent (20%) or up to the maximum of fifty per cent (50%) from the wages and trust account deposits of the inmate.

In 1992, the Department of Corrections began collecting restitution fines. Prior to March 1998, CDC did not collect restitution from inmates who were incarcerated as a result of parole violations and did not collect on direct orders. Starting in 1998, as a result of collecting on direct orders and collecting from some parolees, collection began to rise after a three-year plateau from approximately \$500,000 per month, to in excess of \$700,000 per month in December 1998.

According to the CDC website, the total amount of restitution collected from 1992 until 2001 was approximately \$50 million. CDC staff state that the number is now close to \$60 million.

On July 1, 1999, the Board and CDC entered into an interagency agreement (IA) for mutually agreed upon restitution collection enhancement activities. The IA funded 6 positions at CDC: an accounting officer, 3 associate governmental analysts, an associate administrative analyst, and an assistant administrative analyst. The original and continuing purposes for the funded positions were to "increase restitution collections in prisons, enhance communication between agencies, and analyze trends in court-ordered restitution and fines across the states."

The term of the first agreement was for the period of July 1, 1999, to June 30, 2000, in the amount of \$358,000. The Board entered into successive yearly contracts with CDC for FY 00-01 in the amount of \$375,894; FY 01-02 in the amount of \$408,923, and FY 02-03 in the amount of \$408,923. The proposed amount of the FY 03-04 service contract with CDC is \$340,446.

Discussion

During the past four years, CDC's Victim Services Division has collected approximately \$36 million in restitution fines and orders. They have also been an invaluable partner in conducting statewide restitution training to judges, district attorneys, county revenue collection staff and probation officers. The Victims Services Division has also assisted the Board in making direct order collections and has served as the Board's liaison to the CDC as a whole. CDC's Victim Services Division has also been a partner in many Board initiatives such as the Victims of Crime Advisory Committee, the YACA Victim Rights Committee and has assisted the Board in developing new and innovative methods to collect restitution fines and orders.

The Board has also worked closely with the Victim Services Unit to support their efforts to increase the percentage of withholdings from inmate trust accounts from 20% to 30% beginning July 1, and to 50 % the following year. The regulation implementing this change is now in the rulemaking process. Increasing the withholding to 30%, CDC expects to eventually increase collections by an additional \$4 million, or to an annual amount of approximately \$12 million, once the change is in full operation.

Additional cooperative efforts between the Board and CDC are now being implemented and will increase the amount collected and deposited into the Restitution Fund. For example, the Board recently began a revenue collection project with the State Franchise Tax Board to use the Court-Ordered Debt Collection process for discharged CDC inmates who still owe restitution fines. This target population now numbers approximately 40,000 individuals and represents a significant amount of delinquent fines that the State will soon begin to collect. FTB is processing the initial database of offender information and expects to have all eligible offender information entered into the Court-Ordered Debt Collection system by September 2003.

Prior to the initiation of the CDC Restitution IA, although CDC collected some restitution fines and orders from state inmates, the process was not coordinated with the Board nor did our activities complement each other's programs. Pursuant to the restitution contract, the Board and CDC have made great strides toward increasing collection activities and have in fact increased the amount collected to a significant degree. With the 30% increased collection rate coming into effect July 1, 2003, CDC's contributions to the Restitution Fund will become even more substantial and important to the stability of the Fund.

Recommendation

The Board delegates to the Interim Executive Officer the authority to execute the CDC Restitution IA for FY 03-04 in substantially similar respects to the attached Draft IA.

Attachment